

unapproved
SPECIAL WORKSHOP MEETING
DECEMBER 22, 2009

The Wethersfield Town Council held a special meeting on Tuesday, December 22, 2009 at 5:30 p.m. in the Fireside Room, Pitkin Community Center, 30 Greenfield Street, Wethersfield, CT.

Present from Council: Drake, Hurley, Kotkin, Manousos, McAlister, Montinieri, Roberts, Deputy Mayor Console, and Mayor Hemmann

Present from Board of Education: Gina P. DeAngelo, Stacey M. Hodges, John F. Cascio, Mary Beth Maluccio, Maria Kokinis Tougas, Penny H. Stanziale, Tristan J. Stanziale, Vice Mayor Julie Montinieri, and Mayor Raul Rodriguez

Also present: Jeff Bridges, Town Manager; RaeAnn Palmer, Assistant to the Town Manager; Dolores Sassano, Town Clerk; Michael Kohlhagen, Superintendent of Schools; Fred Bushey, Supervisor of Maintenance and Operations; Chris Drezek, Director of Human Resources and Operations; Italia Negroni, Ph.D, Director of Curriculum and Instruction.

Mayor Hemmann called the meeting to order. She welcomed everyone with the following: "Thank you for coming to this meeting tonight, so close to the holidays. I requested that the Town Manager organize this meeting because in the current economic climate it is important that the policy makers have a current understanding of what is happening. As you all know, the governor submitted a proposal calling for a 3 percent cut to this year's municipal allocations from the state. While that may change, we must be prepared to act on that as a worst case scenario. The Board of Education is in the midst of its budget development, so it is very important that they hear this information now before it is completed. This is the first time we have done this at such an early stage, but hope that it can assist both bodies going forward. The second topic for this meeting will be the introduction to merge town/board departments, into shared departments. We will focus first on the Finance Department. The Town Manager has been directed to pursue this topic. There have been articles in the Hartford Courant and governmental periodicals about change to reflect the environment around us. The Hartford Courant article Sunday December 20th, entitled Smaller Government is the New Reality, made some very valid points. We must react at the local level to prepare for changes. The Governor of Indiana noted that changes that have occurred on the state tax revenue side. That has happened in Connecticut as well. This is the right time to make this internal change. We are being asked to do more with less, and this will help us to use our resources more efficiently."

Mayor Hemmann turned the meeting over to Town Manager Jeff Bridges.

Jeff Bridges, Town Manager, said the discussion will be on the budget and cuts, doing more for less, balancing the needs and revenue. Mr. Bridges had attended a meeting earlier and that the news from the State was not very good. While it is bad this year and next it is expected that in the third year out, it would be even worse. He handed out the following copy of a power point presentation from a CRCOG meeting he attended:

Mayor Hemmann thanked the Town Manager for providing the information and an overview of the upcoming budget. She then introduced Mr. Michael Kohlhausen, Superintendent of Schools; he expressed his appreciation for extending the meeting to the Board of Education and school staff.

Mayor Hemmann asked a question on the stimulus funding of 1.4 million dollars and if it were for one or two years. Michael Kohlhausen, Superintendent of Schools, explained that there are two pockets and they are in the midst of receiving and processing those funds, maintaining a 48 million budget and accounting for it. And stated there is constant communication with Town Manager Bridges.

Mayor Hemmann said that it is a single fund and may go away. Mr. Kohlhausen said this is a 2 year allocation: Supplemental Title 1 and Special Education IDEA funds with strict regulations and accountability.

Mayor Hemmann asked about state funds. Mr. Kohlhausen said Mr. Drezek would address the ECS funds. Christopher Drezek, Director of Human Resources and Operations, stated he was able to say that the funding level remains the same, he had confirmed it again today.

Mayor Hemmann asked if Councilors had any questions.

Councilor Kotkin asked if the ECS level funding was for 09-10 or 10-11. Mr. Drezek stated it was for 10-11, but not 11-12. Councilor Kotkin asked if that was because no budget has been proposed for 11-12. As of now, Mr. Drezek was comfortable to say they were planning on having level funding.

Mr. Drezek passed out the attached memo which shows the requirements to accept stimulus money.

Councilor Drake asked if they were planning for 11-12 in their own budget window assuming the same.

Mr. Kohlhausen stated the philosophy is to maintain programs and staffing as is and to look for other ways to reduce expenses. They hope to continue programs which have improved their rating of 9 to a rating of 6 and try to reduce the budget. The head count is down; they continue to employ people living in Town and to serve our students.

Mayor Hemmann asked about the student count for the next couple of years and if Mr. Kohlhausen has a prediction based on information he may have now.

Mr. Kohlhausen stated that there is a leveling off of student population—3800 students. He is planning a presentation to the Board of Education for the 27th of January and he will share that with the Council at that time.

Mayor Hemmann asked him to keep in mind year 3 [three] from now as it will be significant.

Mr. Cascio asked the Superintendent for an estimate of per pupil cost. Mr. Kohlhausen reviewed that it is about \$11,000 per pupil. Mr. Cascio wanted to confirm that it was a fixed cost.

Councilor Hurley asked how it compared to other towns. Mr. Kohlhausen stated that it is slightly lower than state reference group. Mr. Hurley asked about the surrounding towns. Mr. Kohlhausen said it applies to both as the communities are similar in size and economics.

Deputy Mayor Console asked if he meets with other towns to see what they do. Mr. Kohlhausen stated that Dr. Negroni does. They are always collaborating and sharing information. They are consolidating in every area across the board and within the public schools.

Deputy Mayor Console asked the Board of Education to be more focused on staff, certified and non-certified in the buildings. He feels managing the Board of Education budget with staff and salaries is and will be instrumental for the future. Mr. Kohlhausen stated that they are short staffed as they did not fill several vacancies.

Ms. Maluccio asked about cutting teachers. Mr. Kohlhausen stated they are already at the top of the class size.

Board of Education Vice-Chairman Julie Montinieri stated that they have consolidated administration. For example, Director of Mathematics, Science and Technology is also the vice principal at the high school, saving \$200,000 having teachers doing administration. They realize there is a limited tax base.

Councilor Hurley asked about the teacher administration ratio. Mr. Kohlhausen stated the student teacher ratio is low; does not remember the teacher – administration ratio. Mr. Hurley asked if the ratio were available.

Councilor Drake stated Wethersfield is not going to see a lot of new business. Education system is doing better but on the bottom of systems. He needs to know where we want to be. He said we have the highest paid teachers in area, at the top in the whole state. There needs to be a step change, needs change to get million dollar deals not just a few hundred thousand. Looking at 2 years, where do we want to be? What will people pay for taxes? You need to think million dollar deals while you prepare and review your budget.

Ms. Maluccio reminded the members that Wethersfield has older, more experienced teachers. Councilor Drake stated that is 3 – 4 % over towns next door. He also mentioned Shared Services and that it did not seem to be working well.

Mr. Cascio said there are exceptional programs, both good and bad and there are unfunded mandates.

Mayor Hemmann asked Town Manager Bridges to discuss what he has for the legislative delegation.

Jeff Bridges said unfunded mandates are costly. Wethersfield expects the ECS to stay the same and not be cut. On the town side, we will be losing \$95000 between Pequot and Pilot payments. Less money being taken in by the Pequot so there is a natural decline in revenue. \$107,000 in direct support; LOCIP revenue cut also. There is a benefit to getting rid of unfunded mandates such as binding arbitration. Investment interest is down, as are revenues across the board.

Councilor Drake would like the Board and Town to work together in the next three [3] month. He does not think it will get better; it needs to be dealt with; structure for long term needs. We need to make step changes to save money and we need to know where it will come from.

Mr. Kohlhausen said there are 3831 students; they want to maintain what they have at the levels they already have in place.

Councilor Montinieri suggested a broader understanding of core services, examine and ID priorities on the Town side; potential core vs. negotiated; succeed at reducing spending. Last year we went through departments, it was painful. Grand list is relatively flat. ECS is essentially last thing up for grabs. Property tax pressuring municipalities; to see tax deductions, reduce spending, reduce taxes. Flesh it out, removal of significant departments, teacher layoffs, classroom size change; if you want to understand it, we need to really understand it now.

Councilor Drake thought it would be good to get ourselves realigned with towns in other areas. Finance departments going together is a start, out sourcing, push hard over 2 years, painful for another year, we cannot increase taxes.

Councilor Montinieri said the pressure is on Wethersfield when compared to other towns. Business is saturated, it is an artificial challenge. He does not disagree but are these qualitative changes or core services. We need to get reaction from residents. Councilor Drake said they are trying to develop.

Councilor Manousos asked what areas they were looking at. Councilor Montinieri suggested creative leasing, core services and art departments and Mr. Cascio mentioned the fact that there is no longer a Christmas tree pickup. It was unanimous support for listing priorities and reducing spending. Councilor Drake thought they needed to do something else. Councilor Manousos said they had to know why they cannot save some money in the budget. Councilor Montinieri stated that the grand list growth is slight; revenues are down, with revaluation some resident tax bills went down. There is a need to reduce spending. Councilor Manousos said that why expenses grow so much may be contractual obligations. Councilor Roberts said the special education budget for 6 (six) placements each year. Mr. Kohlhausen stated that there are less students going out.

Mayor Hemmann stated there was a stable number of students; some residents on day programs; there are PPT's, DCF, tuition for mandated placements and no funding. Mr. Cascio said the

Board has obligations and the needs are not cookie cutter for students. He had the following suggestions: on the Town side, last year we were able to reduce back taxes, recouping tax debt; we won't see that money coming in this year. Also on the Town side, they tried shared services

with physical services, between the schools and Town. They moved the plant but still maintained two (2) separate heads. Unions need to be involved.. Combine Finance departments and Physical Services to have better control over it and contractual obligations. Work with the Town Manager, Board of Education and union representatives as hands on people may be more helpful. He heard the Board may have wanted to go forward while the Town may have rejected it. The Board of Education wants to maintain services. They are striving to succeed; they increased the level of services over the years and continue to have more success. The climate and students and families are drastically changing; there is a new generation of people coming forward. Some feel a sense of entitlement, manners are unimportant. We need to get back to basics.

Ms. Maluccio commented on the debt repayment for Webb, Silas Deane Middle School, Police Station and Town Hall. There are mandates and some take children out of our schools and place them into 24 hour facilities for the good of the students and their parents. Councilor Drake said it was a problem they have had for years. Ms. Maluccio continued with schools have a lot of legal costs to this, layers of advisors, it is a fact. Para professional is there an alternate? This is now 1 on 1 it is no longer 1 Para professional for 5 or 10 students. But there is good news. They are applying for a 4.3 billion dollar *Race to the Top* grant. Each state is being given money to develop a plan by State for grades 7 -12. They need to apply for it with the next month. Towns and cities need to take ownership of the plan to get this money. Mr. Stanziale said it was in two phases. Wethersfield could get \$225,000. Ms. Tougas stated it would be a new source of some revenue.

Councilor Manousos said the increase in debt service was insignificant.

Chairperson of the Board of Education Mr. Rodriquez stated there are statutory contractual obligations when putting their budget together. In good years they saw an increase in the budget, everything in the budget was appropriate to fund programs. In bad times there are cuts and frozen salaries. He did not know how they were going to do more this year as last year they lost 1.4 million. They will try and present Council with their best work. Good schools attract people to Wethersfield.

Councilor Kotkin spoke on Health Care costing 10-12 % or 10.5 million dollars of our budget and the employees pay 15%. There is a 64 million dollar obligation to retirees. New hires do not get retirement benefits. Council and Board of Education now have pooled plan of 10-12 % total of annual health care. Recommends putting in goals for the Superintendent and Town Manager; progress in providing combined departments; Finance, IT and pension package service. The Health budget is in decent shape this year as we are on budget. Costs are coming down for Board and Town with combined electricity effective 1-1-2010 for 3 years and lower costs in energy, natural gas and heating. ID all trends over next year.

Mayor Hemmann summed it up by saying that she appreciated everyone coming together. It helps to know what the state of the State is and to keep it in mind. Identify concrete unfunded mandate issues for the meeting with our legislative group to get results. It was a good discussion.

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CHRISTOPHER DREZEK
Director of Human Resources & Operations

TO: Michael Kohlhagen, Superintendent of Schools

FROM: Christopher Drezek, Director of Human Resources and Operations

DATE: December 22, 2009

RE: 2010-2011 State Funding Projections

I spoke with the State Department of Education today regarding state funding projections for the 2010-2011 fiscal year and was informed that the State of Connecticut Bi-Annual Budget includes level funding for the Educational Cost Sharing Grant and Excess Cost Grant to municipalities for the upcoming fiscal year. I was also informed that the Minimum Budget Requirement (MBR) is still included in the 2010-2011 fiscal year. What this means for Wethersfield is that the Wethersfield Board of Education's appropriation for the 2010-2011 fiscal year needs to be level funded at a minimum in order for the town to not jeopardize their ECS funding for the 2010-2011 fiscal year. Since the State of Connecticut used AARA Stimulus funds to offset the cost of the Education Cost Sharing Grant, they feel that if they are to reduce the ECS grant to municipalities it would jeopardize their compliance with the federal government regarding stimulus funds. Additionally, the Excess Cost Grant is budgeted to remain at the same funding level for the 2010-2011 fiscal year in order to allow Board's of Education to budget properly for Special Education needs.

If you have any questions or require additional information, please contact me.

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CHRISTOPHER DREZEK
Director of Human Resources & Operations

TO: Michael Kohlhagen, Superintendent of Schools

FROM: Christopher Drezek, Director of Human Resources and Operations

DATE: December 22, 2009

RE: **AARA Stabilization Funds**

To address the issue on how towns are to report the ECS Stabilization funds that each Board of Education is to receive. Since these funds are required to come directly to Board's of Education (ECS payments are sent to Town finance offices), towns and cities are allowed to lower the Board of Education appropriation by this amount, as long as the total amount spent on education does not change. In Wethersfield's case, it would be approximately \$1.1 million that the town would be able to reduce our budget by, however the stabilization funds received by the Board of Education must remain with the Board, untimely keeping the Board's budget at \$48,938,707. This would be the same figure that the Board would need to receive for the 2010-2011 fiscal year in order to be in compliance with the State of Connecticut to receive the same Educational Cost Sharing amount.

If you have any questions or require additional information, please contact me.

ADJOURNMENT

At 7:15 p.m., Councilor Kotkin moved **“TO ADJOURN THE MEETING”** seconded by Councilor Drake. All Councilors present, including the Mayor voted AYE. The motion passed 9-0-0.

Dolores Sassano
Town Clerk